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SENATE BILL 5399

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State of Washington                      60th Legislature                      2007 Regular Session

By Senators Kilmer, Kastama, Kauffman, Shin, Schoesler, Berkey, Delvin, Rockefeller and Rasmussen

Read first time 01/18/2007. Referred to Committee on Economic Development, Trade & Management.

1            AN ACT Relating to supporting industry clusters as an economic  
2 development tool; amending RCW 43.330.090; and adding new sections to  
3 chapter 43.330 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            NEW SECTION.    **Sec. 1.** A new section is added to chapter 43.330 RCW  
6 to read as follows:

7            The legislature finds that workforce investment is an indispensable  
8 economic development strategy in a global economy but the connections  
9 between workforce and economic development programs have not been  
10 strong enough. The legislature further finds that workforce agencies  
11 and the department of community, trade, and economic development  
12 operate a number of programs, which award grants with the ultimate goal  
13 of increasing the competitiveness of industry clusters and that it is  
14 in the state's interest that workforce development and economic  
15 development agencies establish coordinated mechanisms for disbursing  
16 these state funds.

17            NEW SECTION.    **Sec. 2.** A new section is added to chapter 43.330 RCW  
18 to read as follows:

1 The workforce training and education coordinating board and the  
2 economic development commission shall convene a working group,  
3 consisting of the department of community, trade, and economic  
4 development, the employment security department, the state board for  
5 community and technical colleges, a representative of local economic  
6 development councils and local workforce development councils to create  
7 a framework for the identification of economic clusters, as well as  
8 service and resource delivery to the clusters. The working group  
9 shall:

10 (1) Specify the process for identification of substate geographic  
11 concentrations of firms or employment in an industry and their  
12 customers, suppliers, supporting businesses, and institutions, which  
13 process will include the use of labor market information from the  
14 employment security department and local labor markets;

15 (2) Establish criteria for identifying strategic clusters, which  
16 are important to economic prosperity in the state, considering cluster  
17 size, growth rate, and wage levels among other factors;

18 (3) Identify the public resources available which could be more  
19 intensively devoted to assist clusters;

20 (4) Identify mechanisms by which public resources can be  
21 coordinated and more efficiently delivered to support the growth and  
22 competitiveness of clusters, including the consistent timing of grant  
23 applications, the development of common criteria for receipt of grants,  
24 and the establishment of grant review committees with overlapping  
25 membership.

26 **Sec. 3.** RCW 43.330.090 and 2006 c 105 s 1 are each amended to read  
27 as follows:

28 (1) The department shall work with private sector organizations,  
29 industry and cluster associations, federal agencies, state agencies  
30 that use a cluster-based approach to service delivery, local  
31 governments, local associate development organizations, and higher  
32 education and training institutions in the development of industry  
33 cluster-based strategies to diversify the economy, facilitate  
34 technology transfer and diffusion, and increase value-added production.  
35 The industry clusters targeted by the department may include, but are  
36 not limited to, aerospace, agriculture, food processing, forest  
37 products, marine services, health and biomedical, software, digital and

1 interactive media, transportation and distribution, and  
2 microelectronics. The department shall, on a continuing basis,  
3 evaluate the potential return to the state from devoting additional  
4 resources to an industry cluster-based approach to economic development  
5 and identifying and assisting additional clusters consistent with the  
6 process and criteria in section 2 of this act. The department shall  
7 use information gathered in each service delivery region in formulating  
8 its industry cluster-based strategies and shall assist local  
9 communities in identifying regional industry clusters and developing  
10 industry cluster-based strategies.

11 (2) The department shall pursue a coordinated program to expand the  
12 tourism industry throughout the state in cooperation with the public  
13 and private tourism development organizations. The department, in  
14 operating its tourism program, shall:

15 (a) Promote Washington as a tourism destination to national and  
16 international markets to include nature-based and wildlife viewing  
17 tourism;

18 (b) Provide information to businesses and local communities on  
19 tourism opportunities that could expand local revenues;

20 (c) Assist local communities to strengthen their tourism  
21 partnerships, including their relationships with state and local  
22 agencies;

23 (d) Provide leadership training and assistance to local communities  
24 to facilitate the development and implementation of local tourism  
25 plans;

26 (e) Coordinate the development of a statewide tourism and marketing  
27 plan. The department's tourism planning efforts shall be carried out  
28 in conjunction with public and private tourism development  
29 organizations including the department of fish and wildlife and other  
30 appropriate agencies. The plan shall specifically address mechanisms  
31 for: (i) Funding national and international marketing and nature-based  
32 tourism efforts; (ii) interagency cooperation; and (iii) integrating  
33 the state plan with local tourism plans.

34 (3) The department may, in carrying out its efforts to expand the  
35 tourism industry in the state:

36 (a) Solicit and receive gifts, grants, funds, fees, and endowments,  
37 in trust or otherwise, from tribal, local or other governmental  
38 entities, as well as private sources, and may expend the same or any

1 income therefrom for tourism purposes. All revenue received for  
2 tourism purposes shall be deposited into the tourism development and  
3 promotion account created in RCW 43.330.094;

4 (b) Host conferences and strategic planning workshops relating to  
5 the promotion of nature-based and wildlife viewing tourism;

6 (c) Conduct or contract for tourism-related studies;

7 (d) Contract with individuals, businesses, or public entities to  
8 carry out its tourism-related activities under this section;

9 (e) Provide tourism-related organizations with marketing and other  
10 technical assistance;

11 (f) Evaluate and make recommendations on proposed tourism-related  
12 policies.

13 (4)(a) The department shall promote, market, and encourage growth  
14 in the production of films and videos, as well as television  
15 commercials within the state; to this end the department is directed to  
16 assist in the location of a film and video production studio within the  
17 state.

18 (b) The department may, in carrying out its efforts to encourage  
19 film and video production in the state, solicit and receive gifts,  
20 grants, funds, fees, and endowments, in trust or otherwise, from  
21 tribal, local, or other governmental entities, as well as private  
22 sources, and may expend the same or any income therefrom for the  
23 encouragement of film and video production. All revenue received for  
24 such purposes shall be deposited into the film and video promotion  
25 account created in RCW 43.330.092.

26 (5) In assisting in the development of regional and statewide  
27 industry cluster-based strategies, the department's activities shall  
28 include, but are not limited to:

29 (a) Facilitating regional focus group discussions and conducting  
30 studies to identify industry clusters consistent with the process and  
31 criteria in section 2 of this act, appraise the current information  
32 linkages within a cluster, and identify issues of common concern within  
33 a cluster;

34 (b) Supporting industry and cluster associations, publications of  
35 association and cluster directories, and related efforts to create or  
36 expand the activities of industry and cluster associations;

37 (c) Administering a competitive grant program to fund activities  
38 designed to further regional cluster growth. In administering the

1 program, the department shall work with an industry cluster advisory  
2 committee with equal representation from the work force training and  
3 education coordinating board, the state board for community and  
4 technical colleges, the employment security department, business, and  
5 labor.

6 (i) The industry cluster advisory committee shall recommend  
7 criteria for evaluating applications for grant funds and recommend  
8 applicants for receipt of grant funds.

9 (ii) Applicants must include organizations from at least two  
10 counties and participants from the local business community. Eligible  
11 organizations include, but are not limited to, local governments,  
12 economic development councils, chambers of commerce, federally  
13 recognized Indian tribes, work force development councils, and  
14 educational institutions.

15 (iii) Applications must evidence financial participation of the  
16 partner organizations.

17 (iv) Priority shall be given to applicants which will use the grant  
18 funds to build linkages and joint projects, to develop common resources  
19 and common training, and to develop common research and development  
20 projects or facilities.

21 (v) The maximum amount of a grant is one hundred thousand dollars.

22 (vi) A maximum of one hundred thousand dollars total can go to  
23 King, Pierce, Kitsap, and Snohomish counties combined.

24 (vii) No more than ten percent of funds received for the grant  
25 program may be used by the department for administrative costs.

26 (6) As used in subsection (5) of this section, "industry cluster"  
27 means a geographic concentration of interdependent competitive firms  
28 that do business with each other. "Industry cluster" also includes  
29 firms that sell inside and outside of the geographic region as well as  
30 support firms that supply raw materials, components, and business  
31 services.

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